

**TRANSPORTATION RULES  
OF  
GEORGIA PUBLIC SERVICE COMMISSION  
CHAPTER 7: MOTOR CARRIER INSURANCE**

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**7-1.1 Applicability.**

This chapter describes the requirements for insurance or other surety required for motor carriers engaged in intrastate, interstate, or foreign commerce.

**7-1.3 Penalties.**

(a) *Criminal penalty.* In addition to any other penalty imposed by law, violations of any provision of this chapter shall constitute a misdemeanor, pursuant to O.C.G.A. §46-2-93 and §46-7-39.

(b) *Civil penalty.* In addition to any other penalty imposed by law, violations of this chapter shall be subject to the provisions of O.C.G.A. §46-2-91.

**7-2.1 Public Liability and Property Damage Insurance.**

(a) No certificate or permit shall be issued or continued in operation unless the applicant or holder shall give and maintain bond, with adequate security, for the protection, in case of passenger vehicles, of the passengers and baggage carried and of the public against injury proximately caused by the negligence of such motor common or contract carrier, its servants, or its agents. In cases of vehicles transporting freight, the applicant or holder shall give bond, with adequate security, to secure the owner or person entitled to recover therefore against loss or damage to such freight for which the motor common or contract carrier may be legally liable and for the protection of the public against injuries proximately caused by the negligence of such motor carrier, its servants, or its agents.

(b) The commission shall approve, determine, and fix the amount of such bonds and shall prescribe the provisions and limitations thereof; and such bonds shall be for the benefit of and subject to action thereon by any person who shall sustain actionable injury or loss protected thereby.

(c) The commission may, in its discretion, allow the filing of a certificate of insurance on forms prescribed by the commission, in lieu of such bond, evidencing a policy of indemnity insurance in some indemnity insurance company authorized to do business in this state, which policy must substantially conform to all of the provisions of this article relating to bonds. The insurer shall file such certificate. The failure to file any form required by the commission shall

not diminish the rights of any person to pursue an action directly against a motor carrier's insurer.

(d) The commission shall have power to permit self-insurance, in lieu of a bond or policy of indemnity insurance, whenever in its opinion the financial ability of the motor carrier so warrants.

(e) It shall be permissible under this rule for any person having a cause of action arising under this rule in tort or contract to join in the same action the motor carrier and its surety, in the event a bond is given. If a policy of indemnity insurance is given in lieu of bond, it shall be permissible to join the motor carrier and the insurance carrier in the same action, whether arising in tort or contract.

(f) The liability of the insurance or bonding company on each motor vehicle for the following minimum limits shall be a continuing one notwithstanding any recovery hereunder:

#### SCHEDULE OF LIMITS

Kind of equipment	Limit for bodily injury to or death of one person:	Limit of bodily injuries to or death of all persons injured or killed in any one accident (subject to a maximum of \$100,000 for bodily injuries to or death of one person):	Limit for loss or damage in any one accident to property of others (excluding cargo):
Passenger equipment (seating capacity):			
12 passengers or less	\$100,000.00	\$300,000.00	\$50,000.00
Over 12 passengers	\$100,000.00	\$500,000.00	\$50,000.00
Freight equipment: All motor vehicles used in the transportation of property (see Note)	\$100,000.00	\$300,000.00	\$50,000.00

**NOTE: Motor Carriers transporting hazardous materials, hazardous substances or hazardous waste in interstate, intrastate or foreign commerce refer to U.S. Code of Federal Regulations, Title 49, §387.9 for schedule of limits.**

#### 7-2.2 Cargo Insurance.

(a) Except as otherwise provided by law no motor carrier transporting household goods by motor vehicle required to hold a certificate from the Commission shall engage in intrastate commerce, nor shall any certificate be issued to such carrier, nor remain in force unless and until there shall have been filed with and approved by the Commission a surety bond, policy of insurance (or certificate of insurance in the form prescribed herein in lieu thereof), qualifications as a self-insurer, or other securities or agreements in not less than the amounts hereinafter prescribed, conditioned upon such carrier making compensation to shippers or consignees for all property belonging to shippers or consignees and coming into the possession of such carrier in

connection with its transportation service within the boundaries of the State of Georgia, regardless of whether such motor vehicle is described in the policy or not.

(b) Within the limits of liability hereinafter provided it is further required that no condition, provisions, stipulation, or limitation contained in the policy, or any other endorsement thereon or violation thereof, or of this rule by the insured, shall affect in any way the right of any shipper or consignee, or relieve the insurance or bonding company from liability for the payment of any claim for which the insured may be held legally liable to compensate shippers or consignees, irrespective of the financial responsibility or lack thereof or insolvency or bankruptcy of the insured. However, all terms, conditions, and limitations in the policy are to remain in full force and effect as binding between the insured and the insurance or bonding company.

(c) The liability of the insurance or bonding company for the following minimum limits shall be a continuing one notwithstanding any recovery hereunder:

For loss of or damage to property carried on any one motor vehicle .....	\$5,000.00
For loss of or damage to aggregate of losses or damage of or to property occurring at any one time and place.....	\$10,000.00

### 7-2.3 Qualification as a Self-Insurer.

#### (a) *Intrastate motor carrier.*

(1) Where application is made by an intrastate motor carrier, on forms to be supplied by the Commission, to qualify as a self-insurer under the provisions of O.C.G.A. §46-7-12, the Commission will give consideration to the application if such motor carrier furnishes a current income statement for a one year period and a balance sheet certified by an independent certified public accountant; a schedule showing for each of the last five years the premiums paid, bodily injury claims and expenses, property damage claims and expenses, total incurred losses and the loss ratio; income statements and balance sheets for each of the last five fiscal years and other evidence which will establish to the satisfaction of the Commission the ability of such motor carrier to satisfy its obligation for bodily injury liability, property damage liability or cargo liability without affecting the stability or permanency of the business or such motor carrier.

(2) If the Commission determines that a cash reserve account is necessary to protect the public, such motor carrier shall establish and maintain an account in the amounts equal to prescribed limits of liability and/or cargo (as appropriate) as defined in Commission Transportation Rules 7-2.1 and 7-2.2 and maintain such an account in accordance with instruction from the Commission.

(3) In the event that the Commission grants to a motor carrier authority to self-insure in accordance with the procedures prescribed by the Commission. Such motor carrier shall furnish quarterly to the Commission a balance sheet, income statement within forty-five (45) days after the end of the reporting period, and such other information as the Commission may require.

(b) *Interstate motor carrier.* Where application is made by an interstate motor carrier to qualify as a self-insurer, the Commission will give consideration to the application if such motor carrier furnishes the following:

(1) Copy of application to the Federal Motor Carrier Safety Administration seeking authority to self-insure with all accompanying information.

- (2) Copy of the Federal Motor Carrier Safety Administration order granting self-insurance.
- (3) Copy of safety rating of the Federal Motor Carrier Safety Administration.
- (4) Statement of willingness to furnish copies of any and all reports required by the Federal Motor Carrier Safety Administration.
- (5) Statement that carrier will advise immediately of cancellation or self-insurance by the Federal Motor Carrier Safety Administration.

#### **7-2.4 Qualified Insurance and Minimum Requirements.**

Each certificate of insurance provided by these rules covering bodily injury liability; property damage liability and cargo liability filed with the Commission for approval must be for not less than the full limits of liability required under these rules and regulations and in each case the insurance company must be legally authorized to transact business in the State of Georgia.

#### **7-2.5 Retention of Insurance Filings and Surety Bonds.**

Certificates of insurance when filed with and accepted by the Commission are public documents and after cancellation or expiration shall be retained in the files of the Commission for a period of not less than two years or such longer time as may be deemed necessary for the protection of the insured.

#### **7-2.6 Forms and Procedure.**

(a) Certificates of insurance evidencing coverage shall be written in the full and correct name of the individual, partnership, corporation, or other person to whom the certificate, permit, or license is now or is to be issued. In case of a partnership all partners shall be named.

(b) Certificates of insurance evidencing coverage shall be continuous and shall not be canceled or withdrawn until after thirty (30) days' notice in writing by the insurance company, surety or sureties, motor carrier, or other party thereto, as the case may be, has first been given to the Commission at its offices in Atlanta, Georgia, which period of thirty days shall commence to run from the date such notice is actually received at the office of the Commission. Upon receipt of the notice, original stamped copy will be retained in the files of the Commission as evidence of the date of cancellation thereof and attached to the certificate of insurance or the surety bond. Except that the Commission will waive the required thirty (30) days' notice where a motor carrier elects to substitute a certificate of insurance evidencing coverage for insurance previously filed by a different insurance company where such substituted certificate is accompanied by an affidavit of the motor carrier that substitution has been authorized by the motor carrier and that waiving of the thirty (30) days' notice is requested for the purpose of avoiding the payment of double insurance premium.

(c) *Forms.*

(1) *Form E.* Uniform motor carrier bodily injury and property damage liability certificate of insurance shall be in "Form E" prescribed by the Commission.

(2) *Form H.* Uniform motor carrier cargo certificate of insurance shall be in "Form H" prescribed by the Commission.

(3) *Form K.* Uniform notice of cancellation of motor carrier insurance policies shall be in "Form K" prescribed by the Commission.

**7-2.7 Revocation.**

The Commission may revoke its approval of any certificate of insurance, qualification as a self-insurer, or other securities or agreements if it finds at any time such security no longer complies with these rules.